

# Analytics in Action

## Forecasting Sales for the Beverages Industry

### Client : A Leading Alcohol Beverage Manufacturer in India

#### Business Situation :

The Alcohol beverage industry in India is not only dependent on government controlled price regulation, but also on various external factors like seasonality (sales peak in summer months, close of fiscal year, festivals, etc). These factors impact industry sales and hence individual brand sales. It is therefore pertinent to have good a forecast in place to ensure optimal inventory management and production planning.

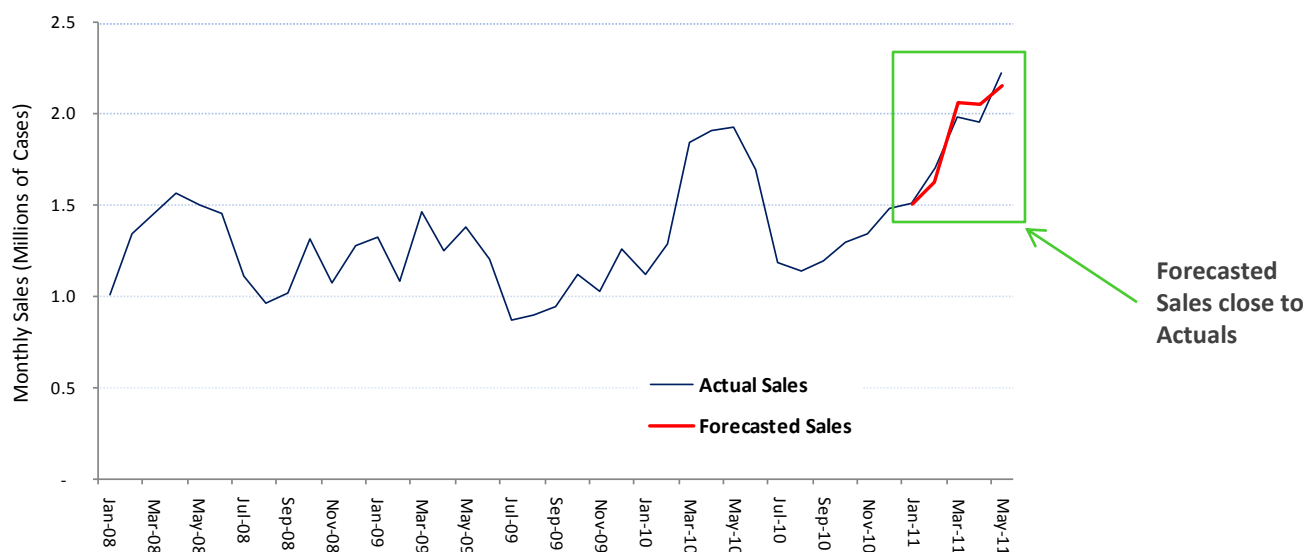
#### The Task :

- Develop a predictive model for forecasting short-term sales (monthly sales for the next 4-6 months). Short term sales are driven by market activities, seasonality and industry growth trends. Long term sales on the other hand are dependent on demographic and macro-economic factors.

#### Analytical Framework :

Holt-Winters forecasting technique was used, as the requirement was for short-term forecasts. This technique disaggregates total sales into the following 3 components:

- Baseline Sales: This is the sales level that remain after sales have been deseasonalized and random events removed
- Current trend in sales: This is the change in the underlying sales that is expected to occur between now and next month
- Seasonality: This indicates how much a month typically deviates from the annual average



#### The Result :

- The model was able to accurately forecast sales (within +/- 5%) at a monthly level for the next 6 months. The client was able to use this forecast as an input into production planning and inventory control.
- The model was also extended across geographies and channels.

# About Marketelligent

Marketelligent provides data analytics-based consulting and outsourcing services that help you make smarter business decisions. The firm is backed by senior professionals with experience across Consumer focused

industries - Retail Banking, Consumer Packaged Goods, Consumer Retail, Telecom and Media. We offer an affordable global delivery model leveraging the best of domain expertise and analytic capabilities.

## Management Team -



**Roy Cherian - CEO**

**MBA – IIM Ahmedabad**

- Over 18 years experience in Marketing, Advertising and Media Industry, a significant part in the Food and Consumer Packaged Goods industry
- Headed Marketing Services, Marketing Operations and the Chocolate and Confectionary business of Nestle India
- Pioneering work in Media and Marketing Mix Optimization



**Anunay Gupta, PhD - COO & Head of Analytics**

**MBA – NYU Stern School of Business**

- Over 11 years of international experience in Consumer Finance and Retail Banking
- Set up offshore Analytics capability for Citigroup. Managed \$145B portfolio for Citigroup US Cards. Leadership role in American Express Risk management
- Extensive experience in analytics, advanced modeling and predictive techniques



**Kakul Paul- Head of CPG**

**MBA – IIM Ahmedabad**

- Over 7 years of experience within the CPG industry
- Part of the Analytics practice as WNS, leading analytic initiatives for top Fortune 50 clients globally
- Extensive experience in what drives Consumer purchase behavior, pricing & promotion analytics, etc.

## Our Clients -



## CONTACT

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